

INFORMATIONAL HEARING AND SITE VISIT
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for Certification) Docket No.
Eastshore Energy Center) 06-AFC-6
)
_____)

BUSINESS LECTURE HALL
CHABOT COLLEGE, BUILDING 600
25555 HESPERIAN BOULEVARD
HAYWARD, CALIFORNIA

MONDAY, JANUARY 29, 2007

6:04 p.m.

Reported by:
Richard A. Friant
Contract No. 170-04-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Jeffrey D. Byron, Presiding Member

John L. Geesman, Associate Member

HEARING OFFICER AND ADVISORS

Susan F. Gefter, Hearing Officer

Gabriel Taylor, Advisor

STAFF AND CONSULTANTS PRESENT

Lorne Prescott, Project Manager

Caryn J. Holmes, Staff Counsel

Eileen Allen

Lance Shaw

Richard Latteri

John Mathias

Alvin J. Greenberg
Risk Science Associates

Suzanne Phinney
Brewster Birdsall
Somer Goulet
Aspen Environmental Group

PUBLIC ADVISER

J. Mike Monasmith
Associate Public Adviser

APPLICANT

Jane E. Luckhardt, Attorney
Downey Brand Attorneys, LLP
representing Tierra Energy

APPLICANT

David Marks, President
Gordon Galvin
Bill Keeney, Vice President and CFO
Greg Trewitt, Vice President
Ted Matula, General Counsel
Tierra Energy

David A Stein, Vice President
Jennifer Scholl, Senior Project Manager
CH2M HILL

ALSO PRESENT

Brian Lusher
Bay Area Air Quality Management District

Jesus Armas, City Manager
City of Hayward

Blaze Farrar
on behalf of Assemblymember Mary Hayashi

Scott Raty, President/CEO
Hayward Chamber of Commerce

Gerard W. Clum, D.C., President
Life Chiropractic College West

Gordon A. Galvan
Galvan & Associates

Gary Verkamp
Veerkamp Engineering

Ester Ho

Winston Ho

William Herborn

Charlie Cameron

John Neath

Albert Jordan

Linda Ramsey

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1 P R O C E E D I N G S

2 6:04 p.m.

3 PRESIDING MEMBER BYRON: Good evening,
4 my name is Jeff Byron. I'm the Presiding
5 Commissioner on the Eastshore Energy Center.
6 Tonight is the informational hearing here at the
7 Chabot College campus. And to my right is my
8 Advisor, Gabriel Taylor. And to my left is our
9 Hearing Officer, Susan Gefter. And to her left is
10 the Associate Member of this Committee,
11 Commissioner John Geesman.

12 Commissioner Geesman, I note that you
13 were able to go home this evening before you --
14 after you'd dispensed with your Commission
15 activities.

16 ASSOCIATE MEMBER GEESMAN: Doesn't
17 suggest a casual approach, though, to the
18 proceeding.

19 (Laughter.)

20 PRESIDING MEMBER BYRON: And I'd like to
21 welcome you all, and particularly the members of
22 the public that are here this evening. Our
23 Hearing Officer will go through and explain the
24 process to you this evening. But I just wanted to
25 welcome you members of the public and let you know

1 that both Commissioners Geesman and I are here
2 because we take these siting cases very seriously.

3 And we also have some elected officials
4 here this evening; and we also are very pleased
5 that you're here, as well.

6 So, with that, Susan, why don't you go
7 ahead and take over for us this evening. Unless
8 Commissioner Geesman has something else?

9 ASSOCIATE MEMBER GEESMAN: No.

10 PRESIDING MEMBER BYRON: Okay.

11 HEARING OFFICER GEFTER: Please let me
12 know if you can hear me or if the mikes are
13 working or not. I also wanted to introduce Mike
14 Monasmith in the back, who is representing the
15 Public Adviser's Office here tonight from our
16 Energy Commission.

17 The Public Adviser's Office provides
18 information on how to participate in the
19 Commission's power plant siting process. And if
20 you have any questions or need assistance, please
21 see Mr. Bartsch -- I'm sorry, Mr. Monasmith. Mr.
22 Bartsch is his assistant.

23 Mr. Monasmith has these blue cards. And
24 if you'd like to address us this evening, if you
25 have any questions or comments, please fill out a

1 blue card; put your name and your comment on the
2 blue card; and then we'll call on you to address
3 us on the record.

4 And we have a reporter here this
5 evening. An official transcript of the hearing
6 will be posted on the Commission's website. So,
7 if you could give us your business cards or your
8 blue cards for the reporter, your name will be
9 spelled correctly in the transcript.

10 Later in the hearing our staff, the
11 Commission Staff, will provide the Commission's
12 website url for you, as well as the relevant phone
13 numbers, email addresses and other relevant
14 information that you may need to contact us with
15 your questions.

16 We are -- at this point, a little
17 background. Tierra Energy filed the application
18 with the Energy Commission for the license to
19 build the Eastshore Energy Center, which is a 115
20 megawatt, natural gas fired power plant.

21 The purpose of tonight's hearing is to
22 discuss the licensing process and to identify
23 issues of concern related to the development of
24 the project.

25 Before we begin the hearing we'll take

1 introductions for the record, and we'll begin with
2 the applicant. And we'll ask Jane Luckhardt, who
3 is the attorney for the applicant, to introduce
4 your party, please. And you could come up -- or
5 Mr. Trewitt, either one of you -- but come up to a
6 microphone.

7 MR. TREWITT: Yeah, I can do --

8 HEARING OFFICER GEFTER: Okay. Actually
9 it would be Greg Trewitt, the Project Director for
10 the Eastshore project. Thank you.

11 MR. TREWITT: Greg Trewitt, Project
12 Director or Manager for the project. Jane
13 Luckhardt with Downey Brand is our CEC attorney.
14 Jennifer --

15 HEARING OFFICER GEFTER: If the people
16 could raise your hand so people in the audience
17 can see who you are.

18 MR. TREWITT: Jennifer Scholl with CH2M
19 HILL; and she is our Assistant CEC Project
20 Manager. And Mr. David Stein, who is our CEC
21 Project Manager.

22 HEARING OFFICER GEFTER: Thank you, Mr.
23 Trewitt. And then I'll ask the staff to introduce
24 the people here today from the Energy Commission
25 Staff. And we'll start over here with Mr.

1 Prescott.

2 MR. PRESCOTT: Good evening. My name is
3 Lorne Prescott; I am Project Manager for the
4 Eastshore Energy Center application for
5 certification. There's a number of staff members
6 here this evening representing the Energy
7 Commission.

8 And if you could raise your hand when I
9 identify you, please. We have John Mathias
10 representing our biology technical section; Alvin
11 Greenberg representing our hazmat/worker safety/
12 fire protection. Brewster Birdsall -- pardon me?

13 DR. GREENBERG: And public health.

14 MR. PRESCOTT: And public health, pardon
15 me. Brewster Birdsall, air quality. Suzanne
16 Phinney, alternatives. Somer Goulet,
17 alternatives. Eileen Allen, who's the Facility
18 Siting Program Manager. Lance Shaw, Compliance
19 Project Manager. And to my right is Caryn Holmes,
20 our legal counsel. And I have an additional --
21 oh, I'm sorry, Richard Latteri, who is soil and
22 water. And then I also have an additional card
23 here, and that's Brian Lusher, who is a
24 representative from the Bay Area Air Quality
25 Management District.

1 HEARING OFFICER GEFTER: And we'll ask
2 Mr. Lusher to stay to the end of the hearing
3 tonight so if we have any questions about air
4 quality you can help us out. Thank you.

5 Also we have some representatives of the
6 public agencies here in the Hayward area. I don't
7 know if Mr. Jesus Armas, the City Manager, is here
8 this evening? Yes. Good, okay. And if you have
9 any questions or comments we'd like to hear from
10 you tonight.

11 Also I understand that we have -- I
12 think the Mayor is here tonight; is Mayor Sweeney
13 here? No. Is a representative from your office
14 here tonight? Okay.

15 I know we have a representative from
16 Assemblywoman Hayashi's Office here tonight; and
17 that's Ms. Farrar. And if you have any comments,
18 let us know.

19 And actually at this point in time if
20 any of the public officials would like to address
21 us with some comments we would like to do that
22 now. So, I'd ask Mr. Armas from the City to come
23 up. And what I was going to suggest is that you
24 turn the mike sideways so that people can see you
25 as you speak. You know, sort of stand there

1 maybe. Yes.

2 MR. ARMAS: Thank you.

3 HEARING OFFICER GEFTER: Thank you.

4 MR. ARMAS: I'll try this; this is a new
5 technique, so I'll --

6 (Laughter.)

7 MR. ARMAS: -- ask you to bear with me,
8 please.

9 HEARING OFFICER GEFTER: Yeah, you can
10 face the audience; you don't need to face us so
11 much.

12 MR. ARMAS: If I did that my mom would
13 scold me.

14 (Laughter.)

15 MR. ARMAS: But, first of all, thank you
16 to the Commissioners for hosting the meeting this
17 evening and doing so in our community to afford
18 the public an opportunity to learn more about this
19 project.

20 I also wanted to thank Mr. Prescott and
21 other members of the CEC Staff. They did conduct
22 an informational meeting this morning that was
23 very helpful, and shared a lot of light on the
24 aspects of the project.

25 And I also wanted to thank Greg Trewitt

1 representing the applicant. He's been very
2 forthcoming in sharing information with the City
3 over the last number of months.

4 The City, as many in the audience will
5 know, and certainly some of the Commissioners are
6 well familiar with it, a number of years ago was
7 involved in a review for a substantially different
8 and larger power facility in our community, the
9 Russell City Energy Center.

10 And so we believe that in the course of
11 your evaluation of the application before you it
12 is important that the impacts associated with this
13 project also take into account the impacts we may
14 experience as a result of the Russell City plant
15 moving forward.

16 We believe there are a number of key
17 critical issues that need to be examined in the
18 course of your review. And we submitted a letter
19 dated January 12th to Mr. Prescott outlining many
20 many of those concerns.

21 I won't bore you or the audience with a
22 full litany of that, but do want to highlight just
23 a couple of things. We are very concerned about
24 traffic and transportation. The area in which the
25 plant is proposed to be located is in our

1 industrial area and is going to be impacted by
2 traffic activity in that area.

3 We know also that the 880-92 interchange
4 is going to undergo some substantial
5 reconstruction and we want to make certain that
6 the impacts of that project are taken into account
7 when the traffic evaluation is performed here.

8 We are very concerned about air quality
9 and hazardous material; and we shared a number of
10 those with the staff earlier today. Suffice it to
11 say that we want to make certain that there is a
12 thorough, complete evaluation of those issues,
13 taking into account not only the project before
14 you, but also the cumulative effect associated
15 with this and the nearby Russell City plant.

16 The City is also concerned about whether
17 the proposed location is appropriate, given long-
18 term and future uses in that area, from a land use
19 perspective. We've identified some comments and
20 we'll amplify those as weeks come by.

21 I should note for those that are members
22 of the Hayward community, one of the
23 responsibilities here is to comment on the effect
24 on our local regulations. And we will be
25 scheduling an item before the planning commission,

1 as well as the city council, to determine
2 consistency with local land use zoning
3 designations. We expect those hearings to occur
4 in the February/March timeframe.

5 One of the things that we'd share with
6 Mr. Trewitt, and with others on the CEC Staff, is
7 as concern as to whether sufficient study and
8 consideration was given to alternate sites. The
9 material in the application submitted by Tierra
10 Energy comments on a number of sites within the
11 Hayward area. But we don't think it does
12 sufficient justice to an evaluation of other sites
13 in the larger East Bay area. We believe that area
14 has done more than its share through its favorable
15 consideration of the Russell City Energy Center.
16 And believe that to the extent that we all have to
17 contribute to the energy solution, that should be
18 the responsibility of others and not simply borne
19 disproportionately by one community.

20 So, we want to thank you. We've
21 identified a number of comments. I won't go into
22 them at length, as I indicated. We're available
23 to respond to questions. And we do, again, thank
24 you for holding the meeting in our community.

25 HEARING OFFICER GEFTER: Mr. Armas, I

1 actually have one question you raised about the
2 zoning for the facility. And you said you were
3 appearing before the planning commission with your
4 concerns. What exactly are the concerns regarding
5 zoning?

6 MR. ARMAS: When the Russell City plant
7 went forward, one of the key things that we wanted
8 to make certain was taken into account as to
9 whether the consistency with the I district could
10 be demonstrated. And that's because our zoning
11 ordinance does not expressly state that a power
12 plant is allowed at any location.

13 And so given the development patterns
14 nearby, given the development patterns that are
15 likely to occur over the next number of years, we
16 want to make sure that we have that fully vetted.

17 HEARING OFFICER GEFTER: Thank you.

18 MR. ARMAS: Thank you.

19 HEARING OFFICER GEFTER: Before we
20 continue I wanted to find out whether you all can
21 hear from this microphone. Is it too loud, or is
22 it -- okay. Thank you.

23 All right. I want to ask if there are
24 any other officials representing the City of
25 Hayward, any community organizations that would

1 like to address us at this time. Mr. Monasmith,
2 have you spoken to anyone from the community that
3 wants to speak at this time? Okay.

4 Then I want to give you a little
5 background about the process; and then we'll go on
6 with the actual contents of the hearing. The
7 Commission began review of the Eastshore project
8 on November 8, 2006. The review of the project
9 will continue for about 12 months. At the end of
10 the review period we, the Commissioners and I,
11 will issue a proposed decision containing the
12 Commissioners' recommendation on the project.

13 The decision will be based solely on the
14 record established during evidentiary hearings,
15 which will be scheduled later this year. The
16 public will have an opportunity to participate in
17 the review process, and also to comment on the
18 proposed decision after it is published.

19 Earlier today we toured the proposed
20 site on a bus. Some of you in the audience joined
21 us. The notice of the hearing, tonight's hearing
22 and site visit was mailed to all the parties, the
23 adjoining landowners, the interested governmental
24 agencies and other individuals in the Hayward
25 community.

1 I want to also mention to you before we
2 continue with the hearing what we call the ex
3 parte rule. To preserve the integrity of the
4 licensing process the Commission's regulations
5 prohibit private contacts between the parties and
6 the Committee. And by parties we mean the
7 applicant and actually the staff that's doing the
8 review.

9 Neither of the parties can approach us
10 and talk to us about any substantive issues
11 regarding the case unless it's in a public forum
12 such as tonight's hearing, or in some sort of
13 written communication which will be made available
14 to the public on our website.

15 The ex parte rule insures that full
16 disclosure of any information that could be used
17 as a basis for the decision is made public.

18 Over the next several months the Energy
19 Commission Staff will conduct public workshops to
20 provide opportunities for the public to discuss
21 the issues with the parties and with the agencies
22 that are involved in the review.

23 All the reports and information
24 regarding the workshops, the hearing dates, the
25 reports that are filed will be posted on the

1 Commission's website. Also written or printed
2 documents are also available and our staff will
3 explain to you how you can get a printed document
4 if you don't have access to the web.

5 The power plant review process is a
6 public process. We encourage members of the
7 public to offer your views on the project
8 proposal. All individuals and organizations may
9 intervene as formal parties in the proceeding,
10 which is a more complicated process. But Mr.
11 Monasmith can explain it to you if you're
12 interested.

13 An intervenor is treated the same as a
14 party, and you have a lot of obligations as well
15 as privileges if you become an intervenor to the
16 case. Again, I recommend that you speak to Mr.
17 Monasmith at any point during today's hearing, or
18 you can contact him. He has his phone number and
19 email address available for you.

20 During the course of today's hearing the
21 parties will make presentations in the following
22 order. And, first of all, Tierra Energy will
23 describe the project and the plans for developing
24 it. And we're going to move to that in just a
25 moment.

1 The Commission Staff will provide an
2 overview of the process, itself, and staff's role
3 in reviewing the project. During these
4 presentations we'll make time for you to ask
5 questions, make comments.

6 And then we will then move on to the
7 scheduling proposal and other matters addressed in
8 staff's issues identification report, which was a
9 report that was filed last month; and copies are
10 in the back of the room. Mr. Monasmith has those,
11 as well, if you're interested.

12 So, before we begin I'll ask the
13 parties, the applicant and the staff, if there are
14 any questions. Okay, then what we're going to do
15 is go forward and ask the applicant to make your
16 presentation. And I think you have like a
17 PowerPoint presentation on the screen, so at this
18 point we'll go off the record and the
19 Commissioners will go sit in the front row so we
20 can see the presentation.

21 Thank you.

22 (Off the record.)

23 MR. TREWITT: Thank you, all, for coming
24 tonight. We appreciate the public participation
25 tonight. We also want to really thank Chabot

1 College for hosting this event here. The food was
2 fabulous and it's a good room for this, for a
3 little shuffling here. But we really appreciate
4 all of your efforts.

5 I also wanted to take this opportunity
6 to thank the Commission and Commission Staff
7 today. We had a workshop earlier and got through
8 quite a bit of issues.

9 The City was there, and I appreciate
10 Jesus being here tonight. We discussed a lot of
11 issues with the City; transportation, and we're
12 going to be working through those as we go through
13 this process.

14 But I also wanted to introduce a couple
15 members from the Tierra team. Gordon Galvin, if
16 you can raise your hand in the back. David Marks,
17 our President, right back there in the brown
18 sweater. Bill Keeney is our Financial Officer.
19 And then Ted Matula, our General Counsel. And I
20 just wanted to thank you guys for being here
21 tonight. If you guys, the public has any
22 questions about the project, I fully expect you to
23 hit them up after the meeting tonight.

24 Let's get started. The first slide
25 really depicts one of the reasons why we're here

1 this evening. The electricity demand in
2 California has been increasing, as we all know.
3 The summer peaks have gotten quite a bit higher
4 relative to the amount of energy that's being
5 produced in the state.

6 One of the California Integrated Energy
7 Policy Reports in 2005 addressed that. They
8 described it as the peaking nature of the
9 California loads, or demand, I should say. And to
10 that end we're here tonight to discuss a project
11 to counteract some of that peaking requirements.

12 To that end, PG&E went through a formal
13 process beginning in 2004, and their resource plan
14 identified certain local reliability areas and
15 loads that they wanted to fill the need for their
16 customers.

17 Tierra Energy bid into that -- or
18 Eastshore Energy bid into that project, or that
19 RFO; and was successful. We ended up signing a
20 power purchase agreement with PG&E last year. And
21 that contract was approved by the California
22 Public Utilities Commission November 30th of last
23 year, as well.

24 Eastshore Energy Center is the result.
25 As some of you who were on the tour today, it's a

1 115 megawatt, natural gas fired project located at
2 25101 Clawiter Road. One of the biggest features
3 of the project is that it has a very fast-start
4 capability. I think that's one of the important
5 concepts here to understand about this type of
6 project. And that it meets these high peak
7 periods and can start rapidly and get to full load
8 within a ten-minute timeframe. That was very
9 attractive to PG&E; and we think that that's one
10 of the main reasons why we were chosen to go
11 forward with this project.

12 Roughly speaking, 115 megawatts serves
13 the demands of about 95,000 homes, just to give
14 you a good idea, roughly speaking. Again, that
15 PPA, or power purchase agreement, was approved by
16 the California Public Utilities Commission on
17 November 30th.

18 Who is Eastshore? Eastshore Energy is a
19 wholly owned subsidiary of Tierra Energy. Tierra
20 Energy is a rapidly growing energy company with a
21 portfolio in wind resources. The majority of our
22 development is in the wind resource area.

23 We have recently, with this project and
24 some cogeneration projects in Idaho, have been
25 involved on the gas-fired side. One of the main

1 reasons that we really like this technology is
2 that it load-follows wind really well. We think
3 that it might be a solution for a lot of investor-
4 owned utilities such as PG&E in the future, in
5 taking more wind resources and being able to
6 stabilize their system and keep them stable in
7 conjunction with wind resources. So that's one of
8 the reasons Tierra Energy is interested in the
9 project.

10 Some of the approvals, the project
11 approvals, right now is, as Susan was alluding to
12 earlier, we're in the process of the CEC,
13 California Energy Commission, application for
14 certification that began in November of last
15 year. It's a 12-month process. And here
16 we are working through that tonight.

17 The second approval that we applied for
18 is an air permit with the Bay Area Air Quality
19 Management District. That process continues, as
20 well. And Brian Lusher, up there, has been
21 working with us today in our workshop and going
22 through some of those issues.

23 The third, as I mentioned, is the CPUC,
24 or the California Public Utilities Commission,
25 approval of the PPA, itself.

1 We also continue to work with Jesus and
2 the City of Hayward and going through their
3 processes; and making sure that we are complying
4 with all of the local ordinances, regulations and
5 statutes.

6 Some of the key benefits of the project.
7 Again, I won't belabor this any more, but it's
8 really the fast-start capability of this
9 technology. These engines are 20 cylinders. They
10 start extremely fast. They can be up on load,
11 actually synchronized to the grid in four minutes.
12 And they can be at full load in ten minutes.

13 That's been very attractive because one
14 of the reasons is that these units can be
15 dispatched without running continuously. They can
16 shut down when they're not needed and started only
17 when they're needed because of their fast-start
18 nature.

19 They're intended to, again, handle the
20 high peak air conditioning load during the summer.
21 They're also designed to handle any sort of system
22 problems that PG&E may have. They're also
23 designed to handle any sudden changes in the
24 renewable power or wind resources.

25 Reliability. The sheer fact that

1 Eastshore is located next to the Eastshore
2 Substation, and the voltage that it generates
3 into, supplies a backup capacity for the local
4 area, the East Bay area.

5 Again, voltage support. another key
6 issue for PG&E in selecting this project is that
7 the majority of the high voltage power that passes
8 through Hayward from Pittsburg to San Mateo,
9 passes straight through the City of Hayward. This
10 project would help during high demand periods
11 where that power is crossing over to the Bay, it
12 would be supporting any sort of loss in voltage
13 midway to get to that -- to get it across the
14 Bay. So that's one of the other features of
15 the project.

16 Another is dry air cooling. It's a
17 distinct advantage with this technology compared
18 to others in its cooling system. The project does
19 not require any cooling tower, and therefore it
20 doesn't require -- you won't get any steam plumes
21 or anything else that you would see out of, say
22 like a cooling tower on a combined cycle project.

23 Next key feature would be the low
24 profile of the technology. The building, itself,
25 is an acoustically designed building to help

1 reduce noise. It also fits in what we think is
2 very visually in this area, in the industrial
3 area. And it's very compatible.

4 Another key benefit obviously are the
5 employment benefits and the local economy
6 benefits. The project will most likely employ up
7 to about 150 people during construction; and
8 during operations it'll be up to 15, 20 people for
9 continuous operations.

10 We have not identified any significant
11 impacts to date with the AFC. Again, we look
12 forward to working through the issues with the
13 Commission on any impacts that we may impose; and
14 complying with CEQA.

15 Some of the design features specific to
16 the project are the prime movers, again. It's a
17 14, state of the art, lean burn, natural gas fired
18 engines with state of the art air emissions
19 controls.

20 In fact, we were discussing today that
21 our application, when we'd gone into for NOx, was
22 one of the lowest in the world as far as this
23 technology goes.

24 Water use, again another key feature.
25 We feel like that's an advantage for this

1 technology. Right now, based on what our water
2 consumption's going to be, it's going to be less
3 than five residences of the City of Hayward on an
4 annual basis.

5 Land use. We feel that the project is
6 zoned correctly in the industrial use area. And
7 also the natural gas source, the PG&E line is
8 located, the linear for that is very proximate to
9 the site. And, in fact, during construction it
10 will probably be a boring, which will probably
11 take two to four days. So it will be very
12 unintrusive to Clawiter or the railroad.

13 The electric interconnection is
14 approximately 1.1 miles away. It leaves the site
15 at 25101 Clawiter, travels down the east side of
16 Clawiter Road, crosses over the interchange on 92,
17 and interconnects into Eastshore Substation. I'll
18 show you a photo of that next.

19 For those of you that were on the tour
20 today, this is a view of the existing site. As
21 you can see, it's about 100,000 square foot
22 building. It was a stamping facility up until
23 about the middle of 2004.

24 Some of the features of the site
25 existing, some of the neighbors, too, also, I

1 should identify. This is TNPI. It is a precision
2 cleaning type operation. You can see these three
3 filters up here. They have hepa filters up there.

4 One of our concerns there is going to be
5 with any sort of particulate matter or fugitive
6 dust during construction. So we're going to make
7 sure we're going to comply with all of that.

8 We also have a commercial refueling
9 facility at this point. Over here is a conduit
10 manufacturing. And over here is Fremont Bank;
11 it's a bank processing center.

12 Our proposed laydown area is going to be
13 in this triangle right here. And let me just
14 outline the property for you. The property is
15 approximately 6.2 acres going over to here, and
16 then back around.

17 The project, after construction, would
18 look -- this is an artist's rendering of the
19 project. What you see here is a 35,000 gallon
20 water storage tank. Right here is our step-up
21 transformers to go from generation voltage up to
22 transmission voltage. The power line would
23 actually leave this structure here; cross over
24 across the street into these power transmission
25 poles; and go down Clawiter all the way to

1 Eastshore Substation.

2 There's some existing power poles,
3 smaller, lower voltage distribution lines that
4 currently travel down Clawiter Road. At this
5 point in time we expect that those will be taken
6 out and that the distribution lines will be
7 underhung on these higher voltage lines going down
8 Clawiter Road.

9 As you see here, this is the engine
10 hall. There'll be seven generators this side,
11 seven generators on that side; the control room
12 and maintenance facility is in the middle. We
13 have some aqueous ammonia tanks on the end. The
14 aqueous ammonia is injected into the catalytic --
15 the SCRs at this point for NOx reduction.

16 The radiators for cooling are located
17 here and here. And the gas linear, I should also
18 emphasize, will be coming over from about this
19 location underneath Clawiter Road, and then come
20 up underneath this building here. This would be
21 the gas interconnection facility at the site.

22 Some of the linears that you can see now
23 from a little better birdseye view. This would be
24 the site in question, Eastshore Energy Center.
25 This is Depot Road, just to give you some

1 direction here. 92 is right here. Clawiter runs
2 along here. And this is Industrial Boulevard
3 here.

4 Here's a transmission line. It would
5 actually be leaving the site, going up. Some of
6 you who were on the tour today, this will give you
7 a little bit of map of showing you where it was
8 routed. And it would interject into a 115 kV bay
9 at the Eastshore Substation. Again, the gas
10 linear is just from there to there.

11 Here is the laydown area that we are
12 currently contemplating lease with Berkeley Farms.
13 It will be temporary. And that's about it for as
14 far as the linears.

15 The project milestones. November 2006
16 was the application date when we applied with the
17 CEC. Again, as Susan said, this is a 12-month
18 process. We look forward to working through that
19 the rest of the year.

20 We also expect our air quality -- excuse
21 me, our air permits by the that date, as well. We
22 expect a financial closing on the project around
23 that same time. We would immediately start on
24 site mobilization at that point. And then we
25 expect a one-year construction period to get to

1 commissioning and startup. And then we expect the
2 project to be commercial in May of 2009.

3 That concludes my presentation for
4 tonight. So, appreciate it.

5 HEARING OFFICER GEFTER: I have a
6 question.

7 MR. TREWITT: Um-hum.

8 HEARING OFFICER GEFTER: My question is
9 regarding the transmission line route. And we
10 took that when we went on the site visit today.
11 And I have a question about why the 115 volt
12 transmission line you have to cut off at a certain
13 point from going along the PG&E route of the
14 existing poles that you have now.

15 And the way we went on the tour today it
16 looked like the transmission line was going
17 between two buildings into the substation. And I
18 wanted to know why that route was chosen.

19 MR. TREWITT: I think you're talking
20 about this section right here?

21 HEARING OFFICER GEFTER: Yes.

22 MR. TREWITT: Right up there --

23 HEARING OFFICER GEFTER: Well, give me
24 that names; speak for the record the name of that
25 street. Do you remember the name of the street?

1 David Stein had the name.

2 MR. TREWITT: Investment Boulevard. Is
3 this Investment here, David?

4 MR. STEIN: Yes.

5 MR. TREWITT: That's right. And the
6 question is why was it chosen to go down
7 Investment Boulevard? That was the current
8 routing that we had with PG&E. And so at the time
9 of our AFC that was the preferred route by PG&E.
10 We're working through that right now as to the
11 final routing.

12 HEARING OFFICER GEFTER: At this point
13 it's a proposed route, but it's not the final
14 route; and you're working with PG&E, also with
15 staff, on that route?

16 MR. TREWITT: That's correct.

17 HEARING OFFICER GEFTER: Because the
18 question I had is why put another -- take another
19 route for a powerline if you already have
20 powerline routings into the substation that are
21 already existing. It adds another line into the
22 neighborhood.

23 MR. TREWITT: Well, part of it would be
24 that the 230 kV line goes across here and it would
25 be a clearance issue. As you know, the 115 kV

1 line goes underneath here. And so the other thing
2 of note is that this bay over here -- sorry, this
3 is such a poor picture for this -- but this bay
4 that PG&E wants to insert the power into is on
5 this side of the substation.

6 And so if they went around this way,
7 they would have to come back around anyway and go
8 that way. Does that answer your question? Okay.

9 Any other questions?

10 HEARING OFFICER GEFTER: What we're
11 going to do is we'll have staff make its
12 presentation about the process and then we'll let
13 the members of the public make comments. So
14 remember your questions. And I'll let staff go
15 forward now. Thank you.

16 MR. PRESCOTT: Good evening; my name's
17 Lorne Prescott. I'm the Project Manager for the
18 Eastshore Energy Center application for
19 certification. I'm going to move this over and
20 get out of the way a little bit.

21 The presentation that will follow is
22 designed to provide you with details about the
23 Energy Commission's siting process. And I'll also
24 be providing you with details about our issues ID
25 report for this project.

1 The purpose of the California Energy
2 Commission's siting process is to insure that a
3 reliable supply of electrical energy is maintained
4 at a level consistent with the need for such
5 energy for protection of public health and safety,
6 for promotion of the general welfare, and for
7 environmental quality protection. And that comes
8 from our Public Resources Code.

9 The Energy Commission has sole
10 permitting authority in California over all
11 thermal power plants 50 megawatts and greater.
12 This authority extends to all related facilities.
13 They're oftentimes referred to linears.

14 And these are electrical transmission
15 lines, water supply lines, natural gas pipelines,
16 waste disposal facilities and access roads related
17 to the proposed project.

18 The Commission is the lead state agency
19 under the California Environmental Quality Act.
20 And, as such, staff produces a number of decision
21 documents associated with the environmental
22 analysis of the proposed project.

23 There's three steps associated with the
24 Commission's licensing process. The first step is
25 our determination of data adequacy. Staff reviews

1 the application to determine if it meets the
2 minimum requirements for our technical review.

3 If deemed data adequate, staff makes a
4 recommendation to the Commission to accept the
5 application through our Executive Director. When
6 the application is accepted as complete, the clock
7 starts and this becomes day one of our one-year
8 review cycle.

9 This also kicks off the second step
10 which is referred to as our discovery and analysis
11 process. During this part of the process staff
12 develops data requests in order to understand more
13 about the project. And identifies issues that
14 might be inhibitors to a completed project.

15 Staff submitted our first round of data
16 requests to the applicant December 18, 2006. And
17 our issues ID report was released on December 28,
18 2006.

19 Staff also holds a variety of workshops
20 to encourage input from the public. And
21 ultimately staff issues two environmental
22 documents, our preliminary and final staff
23 assessments. And we refer to these as the PSA and
24 the FSA.

25 The third step. After the final staff

1 assessment is published, the Committee will begin
2 the evidentiary hearings that will include formal
3 testimony from all participants in our process,
4 including the public.

5 The Committee will produce the Presiding
6 Member's Proposed Decision, the PMPD, which is a
7 recommendation on the proposed project. And that
8 document will go before the full Commission for a
9 final decision on licensing.

10 This slide graphically represents our
11 second step, staff's discovery and analysis
12 process. In the center is staff's assessment and
13 testimony, which equates to the development of our
14 PSA and our FSA.

15 As you can see, staff's analysis is
16 dependent upon inputs from the public,
17 intervenors, the applicant and a variety of
18 agencies.

19 The Public Adviser is shown in this
20 slide to underscore our commitment to facilitating
21 involvement in our process. Their role is to help
22 intervenors and the public to provide inputs to
23 staff's analysis.

24 Staff's discovery and analysis process
25 will examine the Eastshore application for

1 certification to determine if the proposal will
2 comply with all laws, ordinances, regulations and
3 standards. And as you participate in our process
4 you'll often hear this simply referred to as LORS.

5 We also conduct the engineering and
6 environmental analysis of the project. This
7 includes identifying issues, evaluation of
8 alternatives to the project, and project
9 particulars; identification of measures that could
10 mitigate any potentially significant impacts to
11 levels deemed less than significant.

12 Staff also recommends the conditions of
13 certification that will ultimately govern the
14 operation of the power plant.

15 A significant component of our process
16 involves facilitating public and agency
17 participation. Staff will respond to any written
18 comments received during our discovery and
19 analysis process. That's an important part of
20 this, and that's why, again, we really encourage
21 involvement and participation.

22 As I described earlier, the two products
23 generated by staff are the PSA and the FSA. A
24 workshop will be conducted likely here in Hayward
25 to discuss staff's analysis. The results of that

1 discussion will be factored into the development
2 of our final staff assessment. After staff's
3 analysis is complete, recommendations will be made
4 to the Committee.

5 This slide represents the evidentiary
6 hearing and decision process that takes place
7 after publication of the PSA. Notice that the
8 same primary participants, intervenors, public,
9 applicant and agencies, have additional
10 opportunities to participate in the Committee and
11 the Commission's decision. Staff is no longer at
12 the center of the process, but has joined the
13 peripheral elements, providing input to the
14 Committee and to the Commission's final decision.

15 Again, after the FSA is released, the
16 Committee will conduct a series of evidentiary
17 hearings and will accept testimony from all the
18 parties formally involved in the siting process.
19 And accept public comment.

20 At the conclusion of that testimony the
21 Committee will issue their Presiding Member's
22 Proposed Decision. And the PMPD will contain
23 findings relevant to the project's environmental,
24 public health and engineering impacts. It will
25 also contain findings specific to the project's

1 compliance with LORS. It will contain
2 recommendations of certification. And ultimately
3 it will recommend whether or not to approve the
4 project.

5 If the project is approved and a license
6 is granted, the Energy Commission Staff will
7 monitor compliance with all the conditions of
8 certification for the life of the project. And
9 this will include the facility closure.

10 Staff's analysis and input to the
11 Committee's final decision requires us to seek
12 input from many agencies at the local, state and
13 federal level. Our participation with these
14 entities assists us in the identification of
15 issues, environmental impacts, and appropriate
16 mitigation measures.

17 For the Eastshore project, staff's
18 already received formal comments from the City of
19 Hayward, as noted by Jesus Armas earlier; and from
20 the Bay Area Air Quality Management District.
21 Additional local agencies that will be involved in
22 our process include the Alameda County Public
23 Health Department and the Waste Management
24 Authority. Additionally we expect involvement
25 from the San Francisco Bay Regional Water Quality

1 Control Board.

2 At a state level, we'll be soliciting
3 inputs from the California Air Resources Board,
4 the State Office of Historic Preservation, the
5 Department of Fish and Game.

6 And at a federal level, we'll be
7 soliciting inputs from the U.S. Environmental
8 Protection Agency, Fish and Wildlife Service, and
9 the Army Corps of Engineers.

10 So, as you can see, a significant
11 component of our process is soliciting involvement
12 from a variety of entities.

13 I've talked about the fact that the CEC
14 works hard to solicit input and facilitate a
15 process that includes the public. This process
16 includes meetings and workshops; and making
17 information concerning the project available to
18 those that request it.

19 All of our meetings and workshops will
20 be noticed at least ten days in advance of their
21 scheduled date. We maintain several mailing
22 lists, such as a list we have for property owners
23 that are within 1000 feet of the site; and we have
24 a general mailing list that you can be on if you'd
25 like to receive information and notices that we

1 send out about the project. And there is a sign-
2 in sheet that was at the back of the room. And if
3 you sign in and check the box on that sign-in
4 sheet, then you'll be placed on the mailing list.

5 You can also sign up to be on our list
6 server and you'll automatically receive email
7 notification and information about the project.
8 And I'll show you more about how to do that in
9 just a moment.

10 There are copies of the application
11 available for public review at libraries such as
12 the City of Hayward Public Library and the Alameda
13 County Public Library, as well as public libraries
14 throughout the state. The application and other
15 documents are available at the Energy Commission
16 library in Sacramento.

17 And there's the Energy Commission
18 website which is listed here. And if you go to
19 the Eastshore website you'll find all the
20 documents that have been filed and docketed in the
21 siting case. Or, if nothing else, you can go to
22 our -- you can contact our docketing unit and
23 they'll assist you in securing documents. Again,
24 the docketing unit is located at our offices in
25 Sacramento.

1 These are some of the specific ways that
2 you may participate in our process. You can
3 submit written comments or statements to the
4 Commission. You can participate by providing oral
5 comments at public meetings such as the meetings
6 we conducted today.

7 You can become a formal intervenor in
8 which case you'll want to contact either Margret
9 Kim or Mike Monasmith, the gentleman that was
10 referred to earlier in the meeting. Or you can
11 provide written comments on our PSA, our FSA and
12 the PMPD.

13 Getting access to our list server is
14 actually very simple. It requires only five
15 steps, and this is how to go about doing it.

16 If you got to the web address,
17 www.energy.ca.gov/listservers, you'll find a box
18 where you can enter your email address. And then
19 click the subscribe button. Check the box next to
20 the Eastshore identifier. And then all the way at
21 the bottom of the page just click the send
22 subscription button.

23 At that point you'll receive an email
24 notice for every document that's posted; and
25 notices about proceedings related to our project.

1 This is our Energy Commission website.
2 And the Commission's website is an up-to-date,
3 easily accessible repository for information
4 concerning the project. There's multiple headings
5 to the left side of the page that will take you to
6 areas such as the notices and announcements links.
7 And that's where you would have found notices for
8 this evening's meeting, and the meetings that we
9 held earlier in the day. It's a good way to keep
10 track of what's going on.

11 The documents and reports section will
12 get you access to an online version of the
13 application, as well as many other documents
14 generated during staff's analysis.

15 And additional information is available
16 under the heading of participation. This will
17 direct you to links for the Public Adviser's
18 Office; a guide to public participation in our
19 siting case; a document that has an overview of
20 the siting process; our Title 20 Code of
21 Regulations; and a list of acronyms that's used in
22 the siting cases. And that'll be convenient if
23 you forget what LORS stands for.

24 At this point I'd like to take any
25 questions specific to the process that you might

1 have. And then I'll move on to our details
2 concerning our issues identification report.

3 HEARING OFFICER GEFTER: Mr. Prescott,
4 the most convenient way to do that is for people
5 to hold all their questions and you complete your
6 presentation. Because sometimes the process and
7 the substance are mixed together in the question.

8 So, why don't we go forward and have you
9 make your presentation on the issues
10 identification report --

11 MR. PRESCOTT: Certainly.

12 HEARING OFFICER GEFTER: -- and then
13 we'll have comment from the public.

14 MR. PRESCOTT: Okay.

15 HEARING OFFICER GEFTER: Thank you.

16 MR. PRESCOTT: You're welcome.

17 All right, as I noted, we had a meeting
18 earlier today that was referred to as our data
19 response and issues resolution workshop in which
20 we discussed the material that was contained
21 within the data responses we received from the
22 applicant and the report that we produced, the
23 issues identification report.

24 I'm going to provide you with some of
25 the details specific to our issues identification

1 report; and then also tell you a little bit about
2 our proposed schedule. And then we'll take
3 questions concerning those items.

4 Staff develops our issues identification
5 report early in the process. The purpose is to
6 inform participants, including the applicant, of
7 potential issues staff finds. It also provides
8 focus on important topics that will affect the
9 project and staff's analysis of the project.

10 The criteria that we use for determining
11 whether something is identified as an issue are
12 the existence of significant impacts that might be
13 difficult to mitigate; compliance with laws,
14 ordinances, regulations and standards; or if
15 there's a conflict between parties about
16 appropriate findings or conditions of
17 certification that could delay the schedule.

18 Up to this point the only area that's
19 been identified by staff as having issues was the
20 technical area of air quality. This doesn't mean
21 that there are other issues that will not be
22 identified and addressed later on. But this is
23 the area that was addressed in our report.

24 For the air quality section staff is
25 examining the expected emissions of pollutants for

1 the proposed project. There are four issues that
2 have been identified by CEC Staff associated with
3 the Eastshore project. These were discussed,
4 again, earlier today at our data response and
5 issues resolution workshop.

6 The focus of three of our issues is
7 specific to particulate matter, and you'll see
8 that referred to as PM. The first issue addresses
9 the impacts of the new federal standard for PM2.5.
10 That standard was reduced from 65 to 35 micrograms
11 over a 24-hour average. Staff is concerned that
12 the project impact would exceed the newly defined
13 threshold and result in a direct violation of that
14 standard.

15 The second item is concerned with the
16 emissions associated with best available control
17 technology. And in this case, staff is concerned
18 that the emissions rate may exceed the current
19 BACT recommendations by the California Air
20 Resources Board.

21 The third issue associated with the
22 mitigation of PM10 and PM2.5, and staff's
23 concerned about the project's proposed emissions
24 of PM10 and 2.5, if that will contribute to an
25 existing nonattainment status in the air basin.

1 Staff will be evaluating the mitigation
2 of potential emissions for PM10 and 2.5 in order
3 to assure that the year-round impacts are fully
4 addressed.

5 And the last issue that we identified is
6 associated with ammonia slip. And this refers to
7 ammonia leaving the exhaust systems. The staff
8 will be examining the emissions limits for ammonia
9 associated with the project's emissions control
10 equipment.

11 This is a representation of our proposed
12 schedule. You can't quite see it because it's a
13 little bit dim, but I've highlighted some lines in
14 red that I'll talk about in just a second.

15 Included in our issues ID report was
16 staff's proposed schedule for the project. The
17 schedule was originally included in the report,
18 but has been modified slightly to account for a
19 second round of data requests that we'll submit
20 later this week. This change also impacts our
21 expectations for the applicant's responses to our
22 data requests, and a potential second data
23 response and issues resolution workshop.

24 We originally had identified the 8th of
25 March as the deadline or the anticipated date for

1 our receipt of determinations from agencies,
2 particularly the regional air district, which is
3 the Bay Area Air Quality Management District.

4 One of the things that came up today in
5 our meetings was that there's a potential for that
6 date to move forward based on the fact that the
7 Air District might not be able to provide us
8 that -- what is referred to as the preliminary
9 determination of compliance. We may not receive
10 that on the 8th of March. It may come two to
11 three weeks after that.

12 And what that means is that our schedule
13 would slip, move forward, an appropriate amount of
14 time equivalent to that.

15 But in the meantime these are the dates
16 that we've posted. And, again, this is a proposed
17 schedule. At this point we anticipate completing
18 our preliminary staff assessment and filing it on
19 the 9th of April.

20 Toward the end of April or the beginning
21 of early May, we would conduct workshops to
22 discuss staff's analysis and the contents of this
23 preliminary staff assessment. And, again, that's
24 an excellent opportunity for involvement from
25 agencies and the public. And there's a likelihood

1 that we would have the workshops in this area.

2 We anticipate a deadline of the 7th of
3 May for the final determination of compliance.
4 Again, we're primarily concerned with a document
5 from the Bay Area Air Quality Management District.

6 And then the 6th of June has been
7 scheduled as the date we anticipate filing our
8 final staff assessment.

9 After that we'll rely on the Committee
10 and the Commission for scheduling the remaining
11 items. But we'll continue participating until the
12 Commission issues the final decision.

13 Meeting this schedule will depend on the
14 applicant's timely response to staff's data
15 requests. As I alluded to earlier, the timing of
16 the regional air district's filing of the
17 determination of compliance. We're also dependent
18 upon determinations from other local, state and
19 federal agencies. And, of course, other factors
20 that are not yet known could impact our schedule.

21 I've provided some copies of this
22 presentation at the back of the meeting room. And
23 this is the information for myself, our Hearing
24 Officer, the Public Adviser, and the two primary
25 points of contact associated with the Eastshore

1 Energy Center.

2 And that's it. Any questions?

3 HEARING OFFICER GEFTER: While we
4 prepare to take questions, we'll go off the
5 record.

6 (Off the record.)

7 HEARING OFFICER GEFTER: Before we begin
8 our public comment session, I'm going to ask the
9 representative from the Bay Area Air District to
10 come forward, please, and tell us what the Air
11 District is doing with this project.

12 MR. LUSHER: Good evening. My name's
13 Brian Lusher; I'm the Permit Engineer for the Bay
14 Area Air Quality Management District on this
15 project.

16 Basically the CEC, as you all know, is
17 the lead CEQA agency. But we prepare a document
18 called the preliminary determination of
19 compliance. And that will have, basically we will
20 look at all applicable air regulations and
21 determine whether the project complies with all
22 the rules and regulations, both state and federal.

23 That's going to be out in March. And
24 that will go out for a 30-day public comment
25 period. So we'll have something in the newspaper

1 mentioning that this document's going to be
2 available. There'll be a document on our website.
3 And the public is welcome to review that document
4 and make comments. And then we'll incorporate
5 that into the final determination of compliance.

6 And other than that we attended today's
7 workshop on the issues and think it was very
8 constructive between the applicant and the CEC
9 Staff.

10 And if you want me to comment on the
11 major issues that we have before us, I can do so,
12 if that's of interest.

13 HEARING OFFICER GEFTER: Yes, why don't
14 you do that. Summarize what you discussed today
15 at the workshop for people who didn't attend.

16 MR. LUSHER: Sure.

17 HEARING OFFICER GEFTER: Because I
18 imagine there will be questions from them.

19 MR. LUSHER: That's fine, so on the
20 first issue is a modeling of particulate emissions
21 from the facility. The Air District has nothing
22 in our rules and regulations requiring the
23 applicant to perform air dispersion modeling for
24 particulate matter for this project. So we look
25 to the CEC to be the lead CEQA agency and address

1 those impacts.

2 On the second issue, best available
3 control technology for particulate matter, that'll
4 be something that -- we're working right now on a
5 preliminary determination of what we consider to
6 be best available control technology for this
7 project.

8 And what we do there is we review other
9 permits. There's a facility in Nevada that's very
10 similar to this proposed facility. There's going
11 to be one in Colorado that's very similar to this
12 proposed facility. There's a facility in northern
13 California, it's a little smaller than this one,
14 that we'll be looking at. And there's a facility
15 in San Joaquin Valley. Those are the ones that
16 I've identified so far in looking at what's out
17 there.

18 And we'll be looking at their permits
19 and then kind of coming up with some permit
20 conditions that we feel apply to this facility.

21 The next issue, mitigation, again we
22 would look to the CEC to be the lead CEQA agency on
23 that.

24 And then finally, the ammonia slip limit
25 issue. While we recognize that the Air Resources

1 Board has proposed 10 ppm as kind of a guidance
2 level for ammonia slip emissions, we're still
3 going to consider whether we could have 20 ppm
4 slip in the permit based on the fact that no one
5 has achieved the emission rate for NOx or nitrogen
6 oxides proposed by the applicant. So some of the
7 other facilities in California proposed 5 ppm as a
8 limit for nitrogen oxides and were unable to
9 achieve that limit. And then they had to raise
10 their permit limit, do additional mitigation to
11 meet the net limit.

12 We're still very interested in maybe
13 seeing if they can really achieve the 5 ppm
14 nitrogen oxides because ozone is one of the big
15 issues in the Bay Area during the summer season,
16 as a lot of people are aware. And so that's
17 something again we're doing a preliminary
18 determination and we see that the nitrogen oxide
19 BACT determination or best available control
20 technology determination is very tied in and
21 related to this ammonia slip issue.

22 HEARING OFFICER GEFTER: With respect to
23 the permit limit of 5 ppm ammonia slip, isn't that
24 what South Coast is --

25 MR. LUSHER: Sorry, the --

1 HEARING OFFICER GEFTER: -- the South
2 Coast rule?

3 MR. LUSHER: No, the 5 ppm NOx on this
4 source type has not been achieved in practice that
5 I'm aware of. Or nobody has it in the permit
6 limit, and nobody's ever done it before. So, what
7 the applicant's proposing is state of the art.
8 And would be the new BACT for this type of
9 facility.

10 And then the scheduling issues, we've
11 worked with the CEC Staff on those, and estimate
12 that the preliminary determination of compliance
13 may not be available on March 8th. It might be
14 two to three weeks later.

15 And that's all I have to say.

16 HEARING OFFICER GEFTER: And would you
17 stay, Mr. Lusher, while we have public comment so
18 that if there are any questions regarding the Bay
19 Area --

20 MR. LUSHER: Yeah, and I will try to
21 stay a few minutes after the meeting if there's
22 anybody in the public that would like to, you
23 know, come up and talk to me or ask me questions,
24 they're welcome to do so.

25 HEARING OFFICER GEFTER: Thank you very

1 much.

2 MR. LUSHER: All right, thank you.

3 HEARING OFFICER GEFTER: If anyone has
4 questions and you haven't already submitted a blue
5 card, please check with Mr. Monasmith to have a
6 blue card.

7 What I'm going to do is just call people
8 who have submitted blue cards. We'll start with
9 that group. And I'm going to ask Mr. and Mrs. Ho
10 if you'd like to come up, because I know you were
11 here earlier. And if you'd come up to the
12 microphone so we can hear you, then please ask
13 your questions.

14 MRS. HO: Yes, I'm Esther Ho. My
15 husband and I live less than a mile from the
16 proposed site. And I was interested to hear,
17 happy to hear that the project is proposing to use
18 quite a bit of wind energy.

19 But I would like to know whether serious
20 consideration has been given to whether the sort
21 of finances that go into this kind of project
22 could not be used to develop totally renewable
23 energy such as solar energy. We have many many
24 houses which could have solar panels on them if it
25 were made financially feasible for individuals to

1 do that.

2 HEARING OFFICER GEFTER: I'll ask Mr.
3 Trewitt or someone from the applicant who can
4 answer that question.

5 MR. TREWITT: Although the applicant is
6 a huge proponent of wind and solar, we're really
7 responding to PG&E's need at this facility. And
8 solar was not asked for on this particular
9 injection into their system.

10 I don't know if that answers the
11 question.

12 UNIDENTIFIED SPEAKER: -- nature of the
13 least --

14 MR. TREWITT: Well, yeah, I mean PG&E
15 was specifically asking for, as I was discussing
16 earlier, they were specifically asking for peaking
17 type facility that could be dispatched 24/7, at
18 anytime. And solar would not meet that need;
19 neither would wind, actually. Mainly because the
20 wind resources can't be counted on as far as
21 capacity when it's needed. I don't know if that
22 answered your question. We can talk more.

23 HEARING OFFICER GEFTER: All right.
24 Thank you. Mr. Ho, did you have a separate
25 question?

1 MS. HOLMES: Ms. Gefter, it may be
2 helpful for members of the public to know that all
3 of the utilities are, in addition, seeking
4 renewable energy. They seek it as a result of a
5 different RFO process than the one Mr. Trewitt is
6 talking about. So, it's not as though PG&E is
7 seeking gas-fired generation in lieu of wind
8 energy. They do seek both types of projects; but
9 they seek them in a different bid process.

10 I hope that helps answer your question.

11 MR. HO: I'm Winston Ho; I live, as my
12 wife mentioned, not too far from here. Looking
13 back on history on the California Energy
14 Commission, I'm wondering how was Hayward decided
15 as the potential site for either Tierra or some
16 other company come in to provide additional energy
17 for peak use. Whether there had been some
18 connection between California Energy Commission
19 and the PG&E; and whether there's some interest on
20 the providers, themselves, to decide; or whether
21 the City of Hayward has some piece added to this,
22 saying give us the needed power and we have space,
23 we have people you can experiment on.

24 So I was just very curious on that.

25 Thank you.

1 ASSOCIATE MEMBER GEESMAN: In 2005 the
2 Energy Commission identified what PG&E's needs
3 were likely to be over the course of the next ten
4 years. We did that on a PG&E systemwide basis.

5 PG&E then went out for a solicitation;
6 and I believe you heard from the applicant that
7 geographic considerations appeared to enter into
8 the criteria that PG&E used in assessing which
9 projects it felt were the most attractive. That
10 was a PG&E determination, and not one that we've
11 been called upon to either review or make,
12 ourselves.

13 Over the course of this licensing
14 process, we'll be evaluating conformity of the
15 project with environmental and public health and
16 safety requirements to assure that if it's going
17 to get a license, it meets all of those
18 requirements.

19 HEARING OFFICER GEFTER: I'm going to go
20 on to another blue card. I have William Herborn
21 who signed a blue card and indicated you wanted to
22 comment. Is William here? Yes. Would you want
23 to come up to the microphone, sir.

24 MR. HERBORN: I was just wondering,
25 since the two --

1 THE REPORTER: Excuse me, sir. Could
2 you identify yourself for the record, please; just
3 state your name.

4 MR. HERBORN: Okay, my name is William
5 Herborn. I was just wondering, since the two
6 projects are so close together, the Russell City
7 project and now this one up at the corner, why
8 they couldn't be put together on the same piece of
9 property or in a closer proximity instead of two
10 separate units, one of them a lot closer to single
11 family homes and people where they're living.

12 And the other thing I was wondering is
13 what is the financial aspect of it for somebody
14 owning a piece of property that are single family
15 dwellings that are so close to the plant.

16 HEARING OFFICER GEFTER: You're
17 concerned about property value?

18 MR. HERBORN: Property value, right.

19 HEARING OFFICER GEFTER: Well, I --

20 MR. HERBORN: It's been addressed about
21 industrial property, that it doesn't affect them.
22 But I'm interested in a house on a lot.

23 HEARING OFFICER GEFTER: Well, the first
24 thing I'll do is I would ask the applicant again
25 to explain how they chose the site. And then

1 we'll move on to the question of property values.
2 But perhaps Mr. Trewitt could explain to the
3 audience how the site, itself, was chosen. And
4 why it's a separate site from the Russell City
5 site.

6 MR. TREWITT: Well, I guess the main
7 reason is because of its -- again, we talked about
8 this today a little bit in the workshop because it
9 was brought up about alternative sites.

10 Originally there were seven sites that
11 were looked at in the Hayward area. One of which,
12 actually two of which are now where the Russell
13 City project is located now. Another was near the
14 Eastshore Substation. And there was a couple
15 other sites.

16 And I guess the answer to that is there
17 was a lot of dynamic going on during the
18 development of the project. One site was looked
19 at over by Russell City. We had had contact with
20 PG&E and PG&E had indicated that they had wanted
21 us to look at a site near Eastshore Substation.

22 We had gone over to Eastshore Substation
23 and looked at siting the project there. PG&E had,
24 a couple months later, said that they wouldn't
25 allow the project to be built right next to the

1 substation.

2 So we had relocated back to the other
3 site, and Russell City had purchased the land for
4 the other site. And so when we had looked in the
5 area, in the industrial area we located at 25101
6 Clawiter because of its industrial zoning, and
7 also its proximity to the natural gas pipeline and
8 the linears associated with that.

9 Does that --

10 HEARING OFFICER GEFTER: And with
11 respect to the concern about property values, Mr.
12 Stein, do you have some insight on that, or
13 perhaps Ms. Scholl?

14 MR. STEIN: I'm Dave Stein; I'm the AFC
15 Project Manager for Eastshore Energy. I would
16 just offer -- this question has come up. We've
17 supported many applicants before the Energy
18 Commission. Your question's a good one, it's not
19 the first time that it's come up.

20 And we have looked at this question on
21 other siting cases and have yet to find any
22 correlation that suggests that the development of
23 a power plant has either a positive or negative
24 impact on property value, either for industrial or
25 for residential homeowners in close proximity.

1 HEARING OFFICER GEFTER: Thank you.

2 There was another aspect to your question where
3 you wanted to know why the two projects are not
4 combined into one project. And I, again, ask the
5 applicant; I think he answered that, don't you
6 think? Yeah.

7 And also, you know, you have two
8 companies. You have Calpine proposing the project
9 over at Russell City, and this is the Tierra
10 Energy Company. So you have two different
11 companies with two different types of projects.

12 Okay, thanks.

13 Charlie Cameron, do you want to come up
14 and address us at the microphone? Thank you.
15 Just identify yourself at the microphone.

16 MR. CAMERON: Good afternoon; the name's
17 Charlie Cameron, C-a-m-e-r-o-n. Just about three
18 things in terms of today's workshop, under issues
19 and concerns was traffic and transportation
20 brought up?

21 HEARING OFFICER GEFTER: Was the issue
22 brought up?

23 MR. CAMERON: Traffic and
24 transportation.

25 HEARING OFFICER GEFTER: Certainly Mr.

1 Armas brought it up on behalf of the City of
2 Hayward.

3 MR. CAMERON: Okay.

4 HEARING OFFICER GEFTER: Yes.

5 MR. CAMERON: Is there a, regarding the
6 applicant, as we speak right now, a traffic and
7 transportation person that's representing the
8 applicant here?

9 HEARING OFFICER GEFTER: Ms. Scholl? Do
10 you have a question directly for the applicant on
11 that subject?

12 MR. CAMERON: Well, not right now, but
13 first of all, regarding the applicant, himself or
14 herself, they didn't mention, as we speak, the
15 deadline to get in comments right now. Just like
16 a gray area and dark area right now. They should
17 have said send in comments by.

18 The second thing I'd like to ask the
19 applicant, being that the applicant did submit
20 copies to the Hayward Library, did they submit the
21 copies to the main library or did they submit it
22 to the branch, whether the copies -- or at both
23 branches?

24 Now, I already know there's a couple
25 lawyers in the house, and that Mr. Lorne Green

1 (sic) did sign this docket paper, dated December
2 15, 2006. I want to bring it to the attention, in
3 the middle part of the paragraph, written
4 responses, enclose data requests. Should be sent
5 in by January the 15th 2006. Did they mean 2006
6 or 2007? Reason, please, don't -- what -- you be
7 laughing, it's a technical question I'm asking the
8 lawyers. Because Mr. Trewitt mentioned words to
9 the effect the application or the applicant has
10 been in the process since 2004. So 2006 has a
11 relevance, and 2007 has a relevance.

12 Now, it's going to be somewhat of an
13 issue because someone has signed this over Mr.
14 Prescott's name, as the Project Manager. It
15 surely is sending a lot of gray area and
16 disinformation, mis-information, wrong, erroneous
17 information. And was talking to Mike over there,
18 ooh, we goofed. It just sends a bad wording and
19 omen to the project.

20 And just another thing with the
21 applicant, and you, yourself, the Russell City is
22 not a done-deal. It's in the process. Possibly
23 maybe two projects can be put down there. But you
24 didn't understand that.

25 HEARING OFFICER GEFTER: Okay, perhaps

1 I'll ask Mr. Prescott to explain about the date;
2 and also what the document refers to. Because it
3 refers to data requests which are directed
4 directly to the applicant and really do not cut
5 off any public comment at all.

6 Mr. Prescott.

7 MR. PRESCOTT: Yes, the date that you're
8 referring to was, in fact, a typographical error
9 that was corrected on the document that's now
10 posted on our website. And you're correct in
11 assuming that the 6 should have been a 7, it
12 should have referred to 2007.

13 HEARING OFFICER GEFTER: Explain about
14 data requests. Because it's not the same as
15 public comment.

16 MR. PRESCOTT: Staff produces data
17 requests in order to seek clarification on the
18 contents of the application for certification.
19 And we submit those to the applicant; and then
20 they respond to those. After the applicant
21 provides the response, then we conduct a public
22 workshop so discussion can be conducted concerning
23 those responses and we can facilitate input from
24 the public.

25 MR. CAMERON: Well, then, Mr. Prescott,

1 what date do you have in mind submitting comments?

2 You haven't --

3 MR. PRESCOTT: Any time. You're welcome
4 to submit --

5 MR. CAMERON: See.

6 HEARING OFFICER GEFTER: Okay, but that
7 document refers to data requests directly to the
8 applicant. That's a different type of document.
9 Actually the public can make comment up until the
10 very last day of the process, until the Commission
11 actually looks at the proposed decision.

12 So you're welcome to file oral comments,
13 written comments, email comments for the next 12
14 months until we get to the full Commission,

15 MR. CAMERON: That's very helpful, thank
16 you. I'll be in touch.

17 HEARING OFFICER GEFTER: Thank you. All
18 right, also John Neath. Mr. Neath.

19 MR. NEATH: Good evening, my name is
20 John Neath; I'm a resident of Hayward. To begin
21 with I'm very happy my City is concerned about
22 quite a few of the concerns I have.

23 Basically the selection of the location
24 of the project. It appears that Hayward is
25 something like, your homes and things like that,

1 location, location, location. We are in a very
2 poor location as far as situations like this,
3 transportation.

4 The one concern that the City did bring
5 up was the selection of the project. It was
6 mentioned by the gentlemen here of what the select
7 were concerned. And it was interesting that all
8 he could pick up was five areas in Hayward,
9 itself.

10 I was wondering why Hayward was selected
11 as far as two projects go. There are many other
12 areas in this East Bay that could, from my
13 viewpoint, carry it, such as Union City, Fremont,
14 or even north. Of course, like I say, location,
15 location, location.

16 The transmission from here to other
17 areas. They sold Calpine to us because they were
18 going to take care of 900-and-some-odd homes. But
19 they did promise us that they would sell into
20 other areas.

21 And this project here, from just
22 observation, where is this power going to go if
23 we're going to be used as an area to process it?
24 I'd like to find that answer.

25 Of course, the reason that we are in

1 this problem right now is because awhile back when
2 your CEC, California Energy Commission, goofed up
3 and allowed power being bought by certain areas,
4 and what, over-selling to us, upping our prices.
5 How come your CEC can't come back in and control
6 the prices as they should have done in the first
7 place. Why should California have to go out and
8 start processing their own plants? Why can't we
9 not go back and purchase our power as we did
10 before? I'm quite sure other states would be
11 happy to sell it to us if they were properly
12 controlled.

13 I guess that's about the best, if I can
14 get selection of these areas, which everybody else
15 is asking for. And it would be interesting if we
16 can get -- one other thing was your air control.
17 You're going to have, probably have two plants
18 here. Are they going to -- the air control, are
19 they going to consider both plants, or are they
20 just going to consider this one plant?

21 Thank you very much.

22 HEARING OFFICER GEFTER: With respect to
23 the air quality analysis, the Air District and the
24 CEC Staff do a cumulative analysis. So both
25 projects will be considered in their final report

1 to us on air quality.

2 ASSOCIATE MEMBER GEESMAN: I can try to
3 address the question of buying power. California
4 gets between 20 and 30 percent of its electricity
5 from out of state. Almost all of those
6 transactions are in what's legally described as
7 the wholesale market.

8 The Federal Energy Regulatory
9 Commission, a federal agency, regulates
10 transactions in the wholesale market. The
11 California Public Utilities Commission regulates
12 transactions in the retail market.

13 What the Energy Commission does is make
14 determinations on whether we should issue a
15 license for a new power plant.

16 So, I know it's confusing between all
17 the different agencies, but our job is to review
18 environmental, public health and safety
19 requirements in making a decision as to whether a
20 power plant application should get a license.

21 Somebody else regulates prices.

22 HEARING OFFICER GEFTER: And, again, Mr.
23 Trewitt --

24 MR. NEATH: So then -- can't go back to
25 the old fashioned way of purchasing our power

1 outside?

2 HEARING OFFICER GEFTER: And, Mr.

3 Trewitt, you have previously explained the choice
4 of this particular site. I don't know whether you
5 want to reiterate again why the applicant chose
6 this site for the project?

7 MR. TREWITT: Well, I can't speak for
8 PG&E, but one of the infrastructures that PG&E
9 has, a major infrastructure currently, is that
10 they have a 230 kV line going through Hayward, as
11 we all know.

12 And a lot of the power that feeds
13 Hayward is dropped off of that line, and feeds the
14 115 kV line that goes right over to Mt. Eden
15 Substation. Mt. Eden Substation feeds all four
16 areas of Hayward.

17 So, --

18 MR. NEATH: Does it feed the San
19 Francisco area, also?

20 MR. TREWITT: The 230 kV line does.

21 MR. NEATH: Yes.

22 MR. TREWITT: The fact that we're
23 installing a project here was very attractive to
24 PG&E in that they saw a need for local reliability
25 here, for one. Because if the 230 kV line goes

1 down, there is no feeding of the Eden Substation.

2 So, just by the sheer fact that this
3 project is installed at the Eastshore Substation,
4 at the voltage it is, it provides an inherent
5 reliability and backup to capacity for the Mt.
6 Eden Substation and the City of Hayward.

7 It also, to your concern, provides
8 voltage support in keeping that 230 kV line full
9 as it goes across the Bay. So it is a benefit for
10 the Peninsula; and it also is a benefit for the
11 local area.

12 Does that make sense?

13 MR. NEATH: Yes. But don't try to sell
14 to us that we're doing this for Hayward. That's
15 all.

16 HEARING OFFICER GEFTER: Mr. Albert
17 Jordan. Mr. Jordan. Okay.

18 MR. JORDAN: Good evening; my name is
19 Albert Jordan. We are property owners at 2661
20 Depot Road; that's near the intersection of Depot
21 Road with Industrial Boulevard.

22 In addition to our family, there are
23 three other family owners who own adjoining
24 properties to ours. We're probably the closest
25 single family residence to the project site.

1 We are in Alameda County, we're not in
2 the City boundary. My property adjoins the City
3 boundary. I'd say we're approximately, I think,
4 1200 feet from the site. And so we are subject to
5 the County building codes and the County zoning
6 ordinances.

7 Although our property is a part of what
8 the City of Hayward calls Mt. Eden Phase II, it's
9 an annexation that's about to occur, we are part
10 of an island of single family residential homes
11 that will be a part of that.

12 So my question, I have two questions
13 that one relates to the health aspects of this
14 project, and the other to the proposed annexation.
15 First of all, these families -- a lot of these
16 properties are old agriculture sites; they have
17 wells and many of them are very shallow wells, 30
18 to 60 feet deep. And so we have a concern about
19 groundwater contamination because our area is
20 known to be subject to contamination. And
21 oftentimes these are plumes that come from distant
22 sites.

23 The second would be a concern for air
24 quality. I'm a little worried about what I hear
25 tonight about the uncertainty associated with how

1 to deal with the contaminants and particulate
2 matter. And the project engineer didn't propose
3 exactly how they were going to meet those
4 standards. And in fact, the Air Quality
5 Management District was a little uncertain,
6 itself. And it sounded as if we may be one of the
7 first projects that's going to attempt to meet
8 those standards. So because we live so close, of
9 course we're concerned about that.

10 And then my second set of concerns
11 relates to the annexation, itself. The City's
12 about to begin a study of land uses in the area in
13 anticipation of creating a zoning ordinance and
14 changing the general plan.

15 When our island becomes a part of the
16 City, one of the first issues they need to address
17 is what are we going to be zoned. And in that
18 study they're going to be looking at surrounding
19 land uses.

20 And so my concern is we have the
21 potential right now of being a very high land use,
22 being high-density residential. However, since
23 this is a land use that is largely related to
24 industrial properties, you know, we may stand to
25 lose something or be downgraded to more of an

1 industrial land use simply by proximity to this
2 site.

3 So those are my questions.

4 HEARING OFFICER GEFTER: Mr. Trewitt.

5 Well, I think there were three issues. One was
6 regarding the underground water quality. If
7 someone from the applicant could just address that
8 question in the first place, about underground
9 water quality; the concern about contamination of
10 the groundwater.

11 And then the other question regarding
12 land use. But first address the water issue.

13 MR. STEIN: With respect to the concern
14 about groundwater contamination, the existing
15 structure on 25101 Clawiter was actually built up
16 from the original native elevation. So, the
17 construction process will involve demolishing that
18 existing warehouse. And then a shallow excavation
19 to allow the completion of grading to accommodate
20 the foundations for the new facility.

21 We do not anticipate encountering or
22 disturbing the existing groundwater in that
23 process. So we don't see that there would be any
24 potential to either cause groundwater
25 contamination or contribute to whatever plume may

1 already exist in the area.

2 If, in the unlikely event, any
3 groundwater were encountered during the
4 construction process, the construction approach
5 would be to simply dewater that area; hold it in a
6 tank; test it to establish its quality; and then
7 dispose of it in an environmentally acceptable
8 manner.

9 HEARING OFFICER GEFTER: Regarding
10 annexation and zoning, that would be more likely
11 an issue that you have to address with the City of
12 Hayward rather than with the applicant. And Mr.
13 Armas is here and he heard your concerns. And
14 perhaps since Mr. Armas also mentioned appearing
15 before the planning commission in a couple months,
16 this might also be an issue that appears at the
17 planning commission. So I would recommend that
18 you speak to Mr. Armas on your concern regarding
19 the annexation.

20 With regard to air quality, again the
21 Bay Area Air District and CEC Staff and the
22 applicant are working on a mitigation plan. And
23 that plan will be published probably in the PDOC,
24 the preliminary determination of compliance, from
25 the Air District. And that will be published and

1 made available to the public for comment.

2 And as I said earlier, there will be a
3 cumulative analysis by our CEC Staff on the
4 impacts of both power plants being built in
5 Hayward. So they're not considering one plant,
6 you know, by itself. Both plants will have
7 impacts that will be looked at by our staff.

8 I wanted to move on. It's getting late
9 in the evening. Dr. Gerard Clum, I believe. Yes.

10 DR. CLUM: Thank you, ma'am. My name is
11 Gerard Clum; I'm President of Life Chiropractic
12 College West, which is the property immediately
13 across the street from the proposed site of the
14 Tierra Energy facility.

15 Our experience to date has been very
16 very good. The group has met with us on a number
17 of occasions. They have answered all of our
18 questions. We had concerns, like everyone else
19 did, regarding air quality, regarding sound,
20 regarding traffic.

21 They were gracious enough to offer the
22 opportunity for us to visit a comparable facility
23 in Nevada, that we could witness firsthand what
24 the sound issues would be for our campus. It's a
25 major concern, obviously.

1 The gasline in question, PG&E line 153,
2 runs through our property. And we have discussed
3 with them the point at which they would bore in
4 and tie into that line. And the potential that
5 that would be done in a fashion that would be
6 minimally disruptive to the operations of our
7 institution, being done on academic breaks and
8 things of that nature. They have been extremely
9 cooperative in that regard.

10 And to date, if everything is realized
11 as it has been expressed to us, we're very happy
12 to have them as a neighbor. And we appreciate the
13 accommodations that they have made relative to
14 being minimally impactful on our operations as an
15 institution and our community at large.

16 So, thank you for the opportunity,
17 ma'am.

18 ASSOCIATE MEMBER GEESMAN: What time of
19 day do you have people in your facility?

20 DR. CLUM: The campus is open from
21 approximately quarter to 7:00 until 8:15 in the
22 evening is the last time. the majority of our
23 late-evening activity is on the College's Health
24 Center, which is on the Industrial Boulevard side.
25 And the Clawiter side of the campus is generally

1 quiet as of about 6:00. But the Health Center is
2 open until later on in the evening.

3 ASSOCIATE MEMBER GEESMAN: Thank you.

4 DR. CLUM: Yes, sir. Thank you very
5 much.

6 HEARING OFFICER GEFTER: Thank you.

7 PRESIDING MEMBER BYRON: Thank you.

8 HEARING OFFICER GEFTER: Okay, also
9 Scott Raty from the Chamber of Commerce. Thank
10 you.

11 MR. RATY: Good evening; I am Scott
12 Raty, President of the Hayward Chamber of
13 Commerce. We have over 800 member-firms who
14 employ upwards of 30,000 area residents. And many
15 of our business members are located out in the
16 industrial area. Please forgive my voice this
17 evening; it seems to have gone away.

18 But, in my conversations with a good
19 many industrial area business members of ours, the
20 notion of this plant is being very well received.
21 And our organization is very supportive of it.

22 Our mission really is to work to improve
23 the local economy. And to come back and stress
24 really the essence of this plant, unlike the
25 Calpine plant, the Russell City-proposed plant,

1 this one really is about energy reliability in the
2 short term. And is really here for backup
3 purposes and application directly to the local
4 grid. And to make sure that the local grid stays
5 up.

6 And as people understand that, I think
7 people are finding themselves very receptive to
8 that idea. I don't find a good many businesses,
9 either traditional manufacturing or the latest
10 biotechnology firms, that have built-in
11 redundancies for energy the likes of which mean
12 that they could remain in operation on a
13 continuous basis.

14 And in conversation with biotech folks,
15 that's their lifeblood. If they aren't up and
16 operational they're in trouble.

17 So, I might go ahead and provide some
18 around to questions that were raised about
19 property values, and say to the extent that
20 Hayward becomes all that much more attractive
21 because of an asset in terms of infrastructure as
22 reliable energy, just as Hayward was a real
23 infrastructure-positive when the likes of Pepsi
24 came to Hayward more than ten years ago, and
25 Berkeley Farms located here because of the amount

1 of water supply that remained in the ground. And
2 in the event that they were unable to retrieve
3 water through the Hetch-Hetchy system or the
4 aboveground in the events of drought, that those
5 companies could remain in business.

6 That to the extent that energy is more
7 reliable and the kinds of companies that we would
8 like to see long-term locate here, I think that
9 adds to the property values, not only the
10 industrial area, but to the surrounding
11 residential areas, as well.

12 We regard this project to be an
13 industrial use. Essentially they're a
14 manufacturer of short-term electricity in a
15 manufacturing area and we find that very
16 compatible.

17 We're looking forward to following the
18 remainder of the process through. I was very
19 impressed with the thoroughness that you've
20 embarked on this. And we look forward to seeing
21 those questions about traffic and those questions
22 about air quality and whatnot resolved as we move
23 forward. And we'll remain very close to the
24 process and watching it through.

25 Appreciate the opportunity.

1 HEARING OFFICER GEFTER: Thank you. Are
2 there any other comments or questions at this
3 point? I don't have any more of these blue cards.
4 Is there anyone who would like to speak?

5 I have, before we close then, I have a
6 question. This is more of a procedural question.
7 And it's regarding early in the process when staff
8 filed their data request to the applicant, the
9 applicant objected to a data request regarding the
10 use of City potable water for process purposes.

11 And I wanted to know whether that issue
12 has been resolved between the staff and the
13 applicant. And also whether you can address
14 whether there's some concern about using potable
15 water at the plant.

16 I'm going to ask the staff first whether
17 that issue has been addressed.

18 MS. HOLMES: Thank you. Yes. We had
19 asked two similar questions relating to water use;
20 I believe they were data requests 39 and 40. And
21 the applicant objected to one. Staff decided not
22 to pursue that data request any further. We were
23 looking forward to getting a response to data
24 request 40, which asked for a similar type of
25 information about the cost effectiveness of use of

1 nonpotable water.

2 The applicant provided us with a
3 breakdown of the amount of water use that would be
4 for potable uses; and then also for industrial
5 purposes. They did not provide a life cycle
6 lifetime cost analysis as we had requested.

7 Staff is going to be discussing amongst
8 ourselves whether or not there is some sort of a
9 de minimis level below which it is not reasonable
10 to ask for a lifecycle cost analysis. It turns
11 out, based on the response that we did get to data
12 request number 40, that the amount of water that
13 would be used for industrial purposes, and
14 therefore could be replaced with nonpotable water,
15 is less than one acrefoot per year. Which, those
16 of us who have been involved in other power plant
17 projects know, that's an extremely small amount of
18 water.

19 So, at this point I think it's fair to
20 say that we didn't get the analysis that we had
21 requested, but that we plan to be discussing
22 amongst ourselves in the next week or so whether
23 or not this extremely small amount of water
24 proposed to be used by the project justifies
25 pursuing this issue further. Or whether we

1 believe that it's such a small amount of water
2 that we will not be doing so.

3 HEARING OFFICER GEFTER: Okay. Well, I
4 have two questions regarding that. One is, of
5 course, the Energy Commission policy against the
6 use of potable water where alternative source is
7 available. And apparently there is recycled water
8 available here in Hayward. So I don't know if
9 that's part of the cost/benefit analysis that
10 you're looking at.

11 MS. HOLMES: My understanding is that
12 there is recycled water available, but there's no
13 conveyance at this point, to the project site.

14 HEARING OFFICER GEFTER: So that the
15 analysis would include the cost of providing a
16 pipeline to convey the water.

17 MS. HOLMES: We would have to be asking
18 the applicant to provide the cost of the
19 construction of the pipeline, the easements that
20 it will require, all of those kinds of things.
21 And then comparing that to -- and then adding to
22 that the cost of the recycled water, itself. And
23 then comparing it to the cost of the potable water
24 that they're getting.

25 And, again, I would point out that based

1 on the information that we received to data
2 request 40, more than 50 percent of the water
3 that's being used at the project site is for
4 nonindustrial uses, and must be potable water.

5 So we're talking about a pretty small
6 amount of nonpotable water that could be used at
7 the site.

8 HEARING OFFICER GEFTER: And then one
9 final question is whether the City is involved in
10 this conversation, the City of Hayward?

11 MS. HOLMES: The City was involved in
12 this conversation, and I believe that the staff is
13 going to be talking further with the City about
14 some of these issues shortly.

15 HEARING OFFICER GEFTER: Thank you. Are
16 there any other comments or questions, members of
17 the public? Yes, if you could just --

18 MS. RAMSEY: I do have one. I was just
19 struck by the --

20 HEARING OFFICER GEFTER: I'm sorry, you
21 need to come and identify yourself.

22 MS. RAMSEY: Oh, I'm sorry, Linda
23 Ramsey. My last name is spelled --

24 HEARING OFFICER GEFTER: You need to
25 come to the mike because the reporter can't hear

1 you. Thank you. I'm so sorry that you have to
2 walk over here, but we want to have a full record.

3 MS. RAMSEY: My name is Linda Ramsey and
4 I'm just a resident of Hayward. But I was just
5 struck by one of the comments Mr. Trewitt made
6 about the fact that the site is low profile. And
7 then later on in his description he showed a
8 picture of the site, or a rendering, with 14, did
9 I count 14 70-foot smoke stacks.

10 That doesn't really seem like it's low
11 profile to me. Thank you.

12 HEARING OFFICER GEFTER: Thank you. And
13 the design does include 14 exhaust stacks; and
14 they are each of them 70 feet tall. And our staff
15 is going to be doing a visual resources review.
16 And your comments would certainly be welcome if
17 you would like to talk with staff and the
18 applicant about your concerns regarding visual
19 resources.

20 MS. RAMSEY: Thank you.

21 HEARING OFFICER GEFTER: Anything else?
22 Okay. We're going to adjourn this meeting, but
23 before we do I want to let you know we're going to
24 issue a scheduling order which will give you an
25 idea of the schedule for the rest of the

1 proceeding. And that will be posted on the
2 website. And the website, there's some documents
3 in the back that Mr. Monasmith has which gives you
4 the website address, or a way to call him and he
5 can get you the information in writing.

6 If you have any other questions, please
7 see Mr. Monasmith, or the representative from the
8 Air District or our staff.

9 The hearing is adjourned.

10 (Whereupon, at 7:53 p.m., the hearing
11 was adjourned.)

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CERTIFICATE OF REPORTER

I, RICHARD A. FRIANT, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of February, 2007.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345